

FISCAL NOTE

Bill #: SB0402

Title: Define "responsible bidder" for construction, repair under public bidding laws

Primary

Sponsor: Debbie Shea

Status: As Introduced

Sponsor signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Impact

The fiscal impact is difficult to determine, based on the assumptions and notes listed below.

Yes **No**

X Significant Local Gov. Impact

Yes **No**

X Technical Concerns

X Included in the Executive Budget

X Significant Long-Term Impacts

X Dedicated Revenue Form Attached

X Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. SB 402 requires subcontractors to provide a "health insurance policy" for their employees. Subcontractors are typically the largest group on projects. Assuming public entities are required to verify these prior to allowing them to bid and to ascertain that the health insurance policies are current throughout the course of the project, the administrative costs will increase substantially. Both the Department of Administration Architecture and Engineering Division and the Montana Department of Transportation project increased costs.
2. Currently, only larger contractors purchase health insurance policies because the insurance industry offers more affordable products to larger groups.

TECHNICAL NOTES:

1. One of the reasons why the impact is difficult to determine is the lack of definition in SB 402. A "health insurance policy" and "bona fide" are not defined and as such it is difficult to put a cost to the contracts.